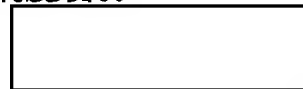




National
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Center

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Western Europe Review

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State Department review completed

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WESTERN EUROPE REVIEW

24 January 1979

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Turkey: Martial Law Continues

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There have been no new outbreaks of rioting since martial law was imposed on parts of Turkey last month, but political extremists remain active and sporadic killings continue. The internal security crisis has not brought political unity; rather, Prime Minister Ecevit is being attacked from all sides by those who seek political gain from the violence issue. Backed against the ropes, but by no means down, Ecevit is holding on, making full use of his considerable political skills to stay in power. Whether he does or not, Turkey's problems will remain severe.

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After four weeks, martial law still enjoys broad popular support in Turkey, and tensions have lessened somewhat. At the same time, the population is uneasy. Leftist groups, in particular, are intent on discrediting the military and have continued staging demonstrations and committing sporadic acts of violence in areas where troops are most visible. There has also been some rightist-inspired violence. Political murders continue at the rate of more than one per day, and several hundred people have been arrested by the military. The presence of troops has become an irritant to some and a reminder to all that Turkey is in a political crisis.

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Ecevit has insisted on maintaining personal control of martial law through a combined civilian-military board which he heads. This has angered some military officers who resent the Prime Minister's interference in what they consider the military's responsibility. While this resentment does not appear deep or widespread enough to threaten the General Staff's commitment to civilian rule, it could, in the long term, damage Ecevit's relations with the military.

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Politicians have turned a deaf ear toward pleas to set aside political differences in a common effort to maintain democratic stability. Justice Party chairman Demirel uses daily news conferences to attack nearly

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every facet of Ecevit's policy, and many leaders in his party reportedly believe they will return to power later this year. Among the opposition leaders, only Necmettin Erbakan of the Islamic-oriented National Salvation Party has tempered his criticism of the government, giving rise to rumors that he hopes to be invited into a coalition with Ecevit's Republican Peoples Party. [REDACTED]

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Meanwhile, Ecevit's party has become increasingly fractious; rivals from both the left and right wings are capitalizing on the Prime Minister's difficulties by demanding political concessions as the price for their continued loyalty. A skilled tactician, Ecevit has thus far fended off these rivals without sustaining major damage to his government. His Interior Minister resigned following leftwing pressure after the riots which triggered martial law, however, and the resignation of the Defense Minister two weeks later was reportedly also due in part to internal party jockeying. Both ministers were replaced with political unknowns. Rumor mills are working overtime with reports of more cabinet changes in the offing, but Ecevit may successfully resist further pressure from party factions. [REDACTED]

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Ecevit, nevertheless, remains in control of the government and apparently continues to make most decisions on his own. His two-vote parliamentary majority was not threatened by the resignations since both former ministers agreed to continue voting with the party. Ecevit's rivals within the party have yet to come up with a viable alternative to him and probably are dissuaded from seeking one at this juncture by the realization that bringing down the government could split the party and doom their political careers. Demirel is reportedly wooing shaky Ecevit supporters. The enticements he has offered thus far, however, have not been appealing enough to overcome the attraction of remaining in power. [REDACTED]

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No matter how the current political struggle ends, Turkey is in for a long period of political and economic uncertainty. Martial law may temporarily keep the level of violence low, but the basic problems facing Turkey--sectarian differences, a cumbersome educational system, high unemployment, and soaring inflation--will persist and present serious obstacles to Turkish stability for

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some time. The potential for renewed widespread disorder, therefore, will remain and martial law is likely to be extended beyond the two months now authorized by the National Assembly. Given that martial law will not eliminate violence, Ecevit will continue to face the politically risky choice of backtracking or expanding the scope of martial law.

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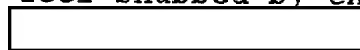
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Turkey: Finding a Formula for Aid



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Representatives of the United States, United Kingdom, France, and West Germany established procedural guidelines for multilateral aid to Turkey at their 18 January meeting in Bonn. If Turkey and the International Monetary Fund can resolve their longstanding disagreement over short-term economic stabilization, West Germany will initiate discussions among other would-be donors leading to an emergency assistance package. In addition, the four have invited the Secretary General of the Organization of Economic Cooperation and Development to convoke a senior-level group of OECD members to examine Turkey's medium-term economic prospects. They did not, however, promise immediate assistance or attempt to resolve Turkey's complex relationship with a plethora of international creditors. The four are concerned that Turkey's economic crisis threatens the stability of NATO's southern flank, but they are equally aware that any quadripartite assistance formula would evoke suspicion from NATO allies who already feel snubbed by exclusion from the Guadeloupe summit.



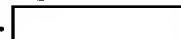
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The West Germans, who are not as concerned with IMF participation as the United States but are clearly anxious to get some sort of economic program under way, have sought to shift the focus of stabilization to an OECD format. Although Bonn is prepared to lead an international rescue operation, it is increasingly reluctant to bear the brunt of any ad hoc bilateral assistance program.



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French concerns about the Middle East will probably lead Paris to participate in some sort of rescue operation, although France will want to keep a low profile because of its close ties with Greece. The French have traditionally opposed an expanded OECD political role and may for this reason encourage IMF coordination.



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The British saw the Bonn meeting as only an initial step in assisting Turkey and had few proposals about how to approach the problem. London is convinced that

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the West Germans should take the lead and that Japan, Saudi Arabia, and possibly the United Arab Emirates should be encouraged to join. The British believe that Turkish cooperation on the conditions for aid will depend on the composition of the expert team actually administering an aid program and, more importantly, on the exclusion of political considerations--especially Cyprus--from any aid package. [REDACTED]

Smaller members of the Alliance are disturbed by what they perceive as the establishment of a four-power condominium over the issue of aid to Turkey. Having been bypassed at Guadeloupe, NATO Secretary General Luns as well as several permanent representatives have insisted they be consulted before aid to Turkey is agreed on. The recent Portuguese suggestion that a "common fund" be established for itself and Turkey is not likely to be considered, since that option would involve political complications and lower the probability of attracting non-NATO donors. [REDACTED]

Even Turkey recognizes that NATO is not in a position to dispense aid directly. The Turks point out, however, that lack of visible NATO action feeds growing domestic disillusionment with the Alliance. Ankara may well decide that West Germany's OECD approach is the best alternative. [REDACTED]

The IMF is opposed to any "soft option" for Turkey resulting from an OECD expert study. Less responsive to political considerations than the OECD, the IMF continues to insist that Turkey once more devalue the lira, tighten credit to contract its money supply and reduce inflation, and rectify its balance-of-payments deficit. Ankara has stoutly resisted IMF conditions in the past and shows no signs of agreeing to any of this, perhaps hoping that its allies will find a way to skirt the IMF and bail out the Turks. [REDACTED]

Prime Minister Ecevit feels that the IMF is insensitive to Turkey's social and political problems, which he contends are inextricably linked to the economic situation. He cites recent riots and the resulting imposition of martial law as evidence of the fragility of Turkish democracy and the necessity of immediate economic help. To Ecevit, the diminution

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of Western influence [redacted]

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[redacted] in Iran underscores the strategic importance of Turkey and further complicates a difficult regional situation. The Turks may use this as ammunition against attempts by Greek supporters to block Congressional approval of a US contribution to the rescue program. [redacted]

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Ecevit denies that Turkey's problems stem from anything his government has done. Rather, he insists that he inherited the economic mess and has labored to bring about fiscal responsibility, meeting IMF conditions whenever possible. There is some contradiction in his policy of trying to bypass the IMF and at the same time persuade banks in agreement with IMF views to reschedule Turkish debts and extend further credit. [redacted]

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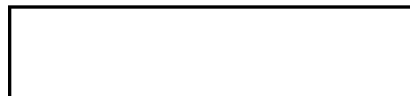
In a 16 January speech before his party's parliamentary group, Ecevit showed some flexibility but offered no suggestions on how to break the impasse with the IMF. He told his audience that Turkey would have to solve its own problems and should not count on foreign aid. While this may have been the opening of an austerity drive, it was just as likely designed to loosen purse strings at the four-power meeting two days later. [redacted]

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The question of aid to Turkey is tied to issues ranging from NATO squabbles over the Guadeloupe "directorate" to the fall of the Shah of Iran. In addition, the economic policies of Turkey and the IMF remain far apart. As long as the United States insists on IMF approval of any stabilization plan, private bankers restrict credit on the same condition, and Turkey uses political problems to explain delays in economic reform, it will be difficult to resolve--or even simplify--the situation. [redacted]

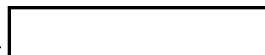
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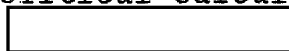
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France: The European Assembly Election



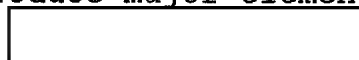
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The campaign for direct elections to the European Assembly in June is now fully under way in France--within the political class, if not the public. It has sparked heated debate over France's role in Europe, deepened divisions within the governing coalition and the left opposition, and given Giscard's rivals on both the left and right an issue they can use to further their presidential ambitions. The Gaullists and Communists have been evoking old demons of German domination, too much US influence, and loss of French sovereignty in an effort to draw out voters for an election all parties view as a test of political strength in the runup to the 1981 presidential contest. Although President Giscard is in a strong position, there are signs that the campaign is already affecting his political calculations, particularly in foreign policy.



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Giscard has tried to play down the domestic importance of the European contest, but the three losers in the March legislative election--the Gaullists, Communists, and Socialists--are seeking not so much vengeance as political survival. The Socialists and Communists must do at least as well as they did in March, 22.6 percent and 20.6 percent, respectively. The Socialists, however, hope to move even further ahead of the Communists and prove that they are the "first party" of France. Since the election will be the first held under proportional representation in 20 years, the true strength of each party will not be obscured--as it was last March--by the system of electoral districting that has benefited the governing coalition in the past. This innovation and the special nature of the contest, in which the voter probably does not perceive the election as significantly affecting his daily life, introduce major elements of uncertainty into the contest.



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Most of the Gaullists, permanently at odds with Giscard over his desire for rapprochement with the non-Communist left and his long-range goal of governing

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France from the center, fault the President for not appreciating the role the Gaullists played in defeating the left. Many Gaullists probably genuinely suspect that Giscard intends to bring France into a Europe more "supranational" than they can accept. For Gaullist leader Jacques Chirac, who has presidential ambitions, the European issue is partially a pretext--a way of keeping himself in the spotlight as the principal defender of French national independence and grandeur. Chirac has been trying to make the election a referendum for or against Giscard's program, including his social and economic policies as well as his European strategy. He announced last week that he will personally organize a list for the European election and that the choice will be between "independence" (Gaullists) and "renunciation" (Giscardians and Socialists), or between those who have "a certain idea of France" (grandeur) and "the others."

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Since foreign affairs is Giscard's strong suit, and the French like to see their President keeping France at the center of the international stage, Chirac is not on particularly strong ground in challenging a popular President's overall conduct of foreign affairs. Although some Gaullist deputies were initially taken aback by the tone and audacity of Chirac's charges against the President and many have reservations about his authoritarian leadership style, the party last week closed ranks and voted its approval of Chirac's stand on Europe and of his leadership.

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Giscard is not anxious to hand his rival further related issues--especially sensitive ones like the multi-lateral trade negotiations, the European Monetary system, and the enlargement of the European Community. On all of these issues, Giscard is taking pains to show that he puts French interests first. Thus, Giscard has delayed the introduction of the European Monetary System, planned for the beginning of 1979, until Paris extracts a promise from other EC members that French complaints over related financial aspects of the common agricultural policy are resolved; French farmers have become increasingly concerned about advantages the present arrangements give to German farmers.

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In their negotiations with the Community on the multilateral trade negotiations, French representatives have been careful to seek adequate trade-offs for any concessions that could be viewed as contributing to France's already serious unemployment problem; in a recent poll, 79 percent of the French thought the government was not doing enough about unemployment. [REDACTED]

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Enlargement of the Community is an equally sensitive issue: all of Giscard's opponents argue that prospective enlargement poses a serious threat to farmers in France's politically important southwest. Farmers--10 percent of the population and traditionally the backbone of the Gaullist Party--are already the object of nationalistic and chauvinistic appeals from the Gaullists and Communists, including "foreign workers go home" propaganda. [REDACTED]

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In the divided left opposition, where the Communists and Socialists are still blaming each other for losing the March election, the European issue is one more source of conflict. The Communists' vehement campaign against the enlargement of the Community is designed to win the nationalistic votes of small farmers and winegrowers who feel threatened by competition from new EC partners. They see the contacts and links of the traditionally pro-European Socialists with other West European social democratic parties as one more "proof" of the eternal Communist charge that the Socialist Party has veered to the right. [REDACTED]

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Within the Socialist Party, deeply divided over leadership and party orientation, the European issue was apparently one of several factors that led Pierre Mauroy, head of the party's powerful northern federations, to throw his support this month to presidential hopeful Michel Rocard, thus greatly increasing Rocard's chances of becoming the party's candidate for the Socialist presidential nomination. Mauroy has refused to accept his party's slow slide--condoned thus far by Socialist chief Mitterrand--toward a position more hostile to European integration. Mauroy has openly opposed the embattled Mitterrand's overtures toward an alliance with the left-wing Socialist faction CERES, which has recently hardened its line on Europe. The Mauroy-Rocard faction and the Mitterrand faction appear certain to clash at the Socialist congress in April. [REDACTED]

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The European election campaign promises to keep the political pot boiling from now until June. In theory, the Socialists and Giscardians should have an advantage because of their pro-European image. But it is not clear whether the voter will be expressing his views on Europe or the economy. It is far from certain that Giscard's fledgling Union for French Democracy will be able to cash in on the President's popularity and expand its vote much beyond the 21.6 percent it got in March. It is also difficult to judge how effective the simplistic nationalistic appeals of the Gaullists and Communists will be. Issues in the election may become so confused by June that the results of the election will be open to widely differing interpretations, particularly if abstentions are high. [REDACTED]

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Nonetheless, the average Frenchman appears to be taking Europe seriously: in a September poll, the enlargement of the EC and direct elections to the European Assembly were rated as the fourth and fifth most important issues of the day. A majority of the French approve of France's membership in the EC, although 51 percent oppose giving the new Assembly any extra powers. Thus, whatever Giscard's real intentions on Europe, he must clothe them in ambiguities, and stress the "confederal" nature of his concept. As for the political parties, all are on record as opposing extension of the Assembly's powers. [REDACTED]

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